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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

OSR No. 1792
15 January 1975

CIA/OSR / MEMO PA 750115

MEMORANDUM FOR: Lt. Col. Warren E. Mercer
OSD/Net Assessments
Department of Defense

SUBJECT : Draft Chapter on Expenditures
for Soviet Tactical Air Forces
for Project 186

We have reviewed your draft chapter on Tactical Aviation costs and have attached what we believe to be the most helpful input we can provide. In our opinion the draft sent to us is not well focused and tries in vain to accomplish too much. The draft we are transmitting is much narrower in scope but does provide an appreciation of the level of effort devoted to Soviet and US Tactical Aviation. Our draft was drawn from reports just published or soon to be published, the best we could do given the treatment of expenditure data in the ground forces section of Project 186 and our own resource constraints.

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Attachment #1
14 January 1975

Expenditures for Soviet Tactical Air Forces

A. Introduction

A study of estimated defense expenditures provides a supplement to conventional intelligence analysis. This chapter presents in summary form estimated expenditures for the Soviet Tactical Air Forces (TACAIR)--first in rubles to assess the costs of the forces from the Soviet perspective, and second, in terms of dollar costs to permit US-USSR comparisons.* It should be stressed, however, that these estimates should not be used to draw conclusions about military effectiveness.

The estimates of Soviet defense expenditures are derived from a detailed costing effort. The approach involves estimating the various cost inputs--procurement, construction, personnel, and O&M--for each of the major weapons systems or organizational units in the Soviet military. (Outlays for RDT&E are estimated in the aggregate and cannot be specified on a system basis.)

* Ruble data are presented for the years 1960-74. Dollar data are presented for the years 1964-74 because US data are not available in enough detail to allow comparisons prior to 1964.

It should be noted that all the expenditure data in this chapter are expressed in constant prices so that changes from year to year reflect only changes in the forces and are not affected by inflationary pressures. The ruble expenditure estimates provide a view of the level of resources devoted to TACAIR and relate this level to the rest of the defense effort. The dollar cost estimates are rough approximations of what it would cost to reproduce the Soviet programs in the US.

The costs in this chapter are those estimated for Soviet Frontal Aviation (FA)--the Soviet Air Force which has the TACAIR role. It consists of fixed-wing strike, reconnaissance and air superiority aircraft dedicated primarily to battlefield roles under the subordination of a military district or "front" commander.* Helicopters which may under certain circumstances be operationally subordinate to the MD or "front" commander are excluded. Subordinate

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elements of the LRA and Naval Aviation (which might be employed in a "conventional strike" role) and of the MTA (aircraft and helicopters of which might be tasked with "combat airlift") are also excluded as are all elements of the Soviet Air Defense Forces.

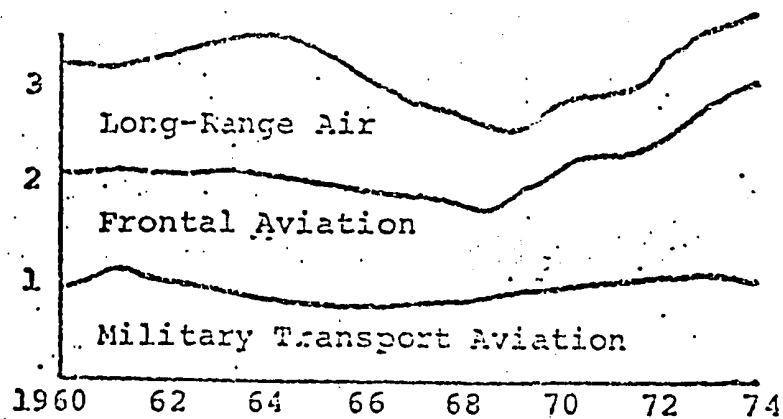
Significant asymmetries exist between US and Soviet defense programs. Within US Tactical Air Forces (according to US/DoD defense planning and programming categories) attack aircraft carriers are a prominent feature of US spending. The Soviet Union does not yet have attack carriers. Other asymmetries include USN early warning aircraft, USMC Air Wings, USAF interceptor, special operations, electronic warfare, and tactical air control units.

B. Ruble Expenditures

Annual spending for the Soviet Air Forces--Frontal Aviation, LRA, and MTA--as a whole has risen from about 3.1 billion rubles in 1960 to nearly 3.7 billion rubles in 1974. Spending fluctuates considerably over the period, reaching a peak of 3.4 billion rubles in 1964 and thereafter dropping to a low of about 2.5 billion rubles in 1969. Since 1969, AF expenditures, both in absolute terms and as a percent of total forces spending rises steadily and is currently at its highest point. (See Figure 1.)

Figure 1

Estimated Expenditures for the Soviet Air Forces



Spending for the LRA holds an edge over that for Frontal Aviation during the early Sixties (with heavy purchases of Badger and Blinder bombers) but after a peak in 1964 steadily declines to the point where it currently absorbs only 20 percent of spending by the Air Forces.

Outlays for Frontal Aviation are fairly constant through the middle Sixties and then decline slightly toward the end of the decade. Expenditures turn up in 1970 and are on the increase ever since--particularly in 1973 and 1974. (During the early Seventies spending for Foxbat, Flogger and Fencer dominate the picture). The share of Air Force outlays devoted to Frontal Aviation has also grown--in 1974 it was more than half of the total.

In terms of resources devoted to the upgrading of the Air Forces, Frontal Aviation has consistently received a high priority. Investment expenditures for Frontal Aviation for the entire period equal the sum of investment outlays for LRA and MTA combined.

C. Dollar Costs of Soviet TACAIR and US Outlays*

US spending for TACAIR is compared with estimated dollar costs of Soviet TACAIR in Figure 2. The data are expressed in 1973 dollars because information on 1974 prices was not complete when this analysis was undertaken.

Cumulative US expenditures for tactical air forces were approximately three times the estimated dollar cost of Soviet tactical air forces over the 1964-73 period, primarily as a result of the intense use of US tactical aircraft in the Vietnam conflict. US expenditures peaked in 1967, then fell until 1971 and have risen only slightly since then.

The estimated annual cost of Soviet tactical air forces as measured in dollars fell from 1965 through 1969 but has been increasing since then. It is significant that the inventory of Soviet aircraft available for the TACAIR mission surpassed for the first time that of the US in 1973, and continues to rise.

** DoD data have been adjusted for sake of comparability with estimated dollar costs of Soviet programs. A list is attached which presents the program elements included on the US side. Finally, the dollar costs presented for the USSR do not equate directly to the ruble costs because the dollar costs have been modified to attain consistency with DoD accounting.*

While US and Soviet tactical aircraft inventories are approximately the same, the actual cost of acquiring and operating US TACAIR resources during 1974 was almost twice the estimated dollar costs of the Soviet TACAIR force. Investment and operating expenditures for the US carrier forces account for almost all of this difference.

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D. Outlook

Substantial increases in procurement outlays over current levels are projected for tactical aircraft during the next few years as the Soviets emphasize aircraft rather than missiles for delivery of tactical nuclear weapons. The projected procurement outlays for the Flogger and Fencer program are among the most costly Soviet weapons programs for the next few years. In addition to increasing the range and payload of the aircraft they are equipping them with air-to-ground weapons.

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ATTACHMENT 2

Back-up for Figure 1

Million 1970 Rubles

	<u>LRA</u>	<u>Frontal Aviation</u>	<u>Military Transport Aviation</u>	<u>TOTAL</u>
1960	1095	1164	890	3149
1961	1010	1063	1037	3110
1962	1172	1077	978	3227
1963	1282	1176	888	3346
1964	1391	1242	780	3413
1965	1345	1251	755	3351
1966	1122	1185	721	3028
1967	957	1080	736	2773
1968	899	1006	770	2675
1969	745	937	813	2495
1970	627	1242	887	2756
1971	586	1298	933	2817
1972	668	1403	971	3042
1973	681	1707	1037	3425
1974	765	1973	970	3708

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